

Budget Overview

Governor's Council on Tax Reform
September 24 and 25, 2019



Outlook for the State General Fund

(Dollars in Millions)

	FY 2019 Actual	FY 2020 Approved	FY 2021 Estimate	FY 2022 Estimate	FY 2023 Estimate
Beginning Balance	\$ 761.7	\$ 1,105.1	\$ 677.1	\$ 301.6	\$ (14.1)
Prior year released encumbrances	\$ 7.8				
Revenues					
Taxes ¹	7,471.3	7,494.0	7,629.9	7,774.9	7,922.6
Interest	48.9	54.0	55.0	55.0	55.0
Agency Earnings	50.5	51.3	51.3	51.3	51.3
Job Creation Program Fund ²	--	--	--	33.5	33.5
Transfers:					
School Capital Improvement Aid	(202.1)	(215.0)	(230.0)	(241.5)	(253.6)
KDOT ³	243.1	231.8	158.7	79.3	--
PMIB Bridge Funding	(52.9)	(132.2)	(132.2)	--	--
Local Government ⁴	--	--	--	146.1	146.1
All Other Transfers	(190.5)	(52.2)	(3.6)	(109.1)	(109.1)
Total Revenues	\$ 7,368.4	7,431.7	\$ 7,529.1	\$ 7,789.5	\$ 7,845.8
 Total Available	 \$ 8,138.0	 \$ 8,536.8	 \$ 8,206.2	 \$ 8,091.1	 \$ 7,831.7
Expenditures					
Expenditures	7,032.8	7,749.6	7,732.6	7,904.5	8,105.2
Reappropriations	--	110.2	--	--	--
Human Services Caseloads	--	--	50.9	80.0	85.0
K-12 Current School Finance Law ⁵	--	--	101.1	103.4	106.2
K-12--KPERs-School Out-Years Estimates ⁶	--	--	19.9	17.3	17.8
Total Expenditures	\$ 7,032.8	\$ 7,859.8	\$ 7,904.5	\$ 8,105.2	\$ 8,314.2
Ending Balance	\$ 1,105.1	\$ 677.1	\$ 301.6	(\$14.1)	(\$482.5)
<i>As Percentage of Expenditures</i>	<i>15.7%</i>	<i>8.6%</i>	<i>3.8%</i>	<i>(0.2%)</i>	<i>(5.8%)</i>

Expenditures: K-12 Current School Finance Law

K-12 Education: **56.0%** of total State General Fund (SGF) budget in FY 2020.

2019 Senate Bill 16

- Implements school finance changes and policy requirements.
- Kansas Supreme Court
 - SB 16 substantially complies with prior mandates.
 - Will retain jurisdiction to ensure plan is fully implemented.
- Base State Aid for Student Excellence (BASE): state aid per pupil
 - Increase from **\$4,436** in FY 2020 to **\$4,846** in FY 2023.

Expenditures: K-12 KPERS School

KPERS School

- Largest source of SGF expenditures for state pension obligations.
 - FY 2020: \$583.4 million
 - FY 2023: \$638.4 million

- KPERS Employer Contribution Rates
 - FY 2020: 14.41%
 - Decrease slightly by FY 2022 then increase to about 16% by FY 2026.

Expenditures: Human Services Caseloads

- Required spending for state and federal social service programs.
 - **16.4%** of FY 2020 SGF budget.

Notable Trends

- Increases to the number of children in the foster care system.
 - Resources added to FY 2020 budget to reverse trend.
- Increasing KanCare member enrollment.
- Increasing payments to managed care organizations for growth in member and cost trends.

Expenditures: Other Key Expenditures

Higher Education (10.8% of FY 2020 SGF budget)

- Continued calls for SGF for student aid programs and to offset tuition costs.

Public Safety (6% of FY 2020 SGF budget)

- Prison Population: **FY 2019:** 10,044; **FY 2023:** 10,729

General Government: (3% of FY 2020 SGF budget)

- Debt Service: \$134.7 million SGF FY 2020
- Gradual decrease assuming no additional borrowing.

Revenues: Other Sources

Interest: interest earnings from management and investment of available cash.

Agency Earnings: earnings by agencies from various penalties.

Job Creation Program Fund: used to promote job creation and economic development.

Revenues: Other Sources

Transfers: funds transferred in and out of the State General Fund.

- School Capital Improvement Aid: school district bond and interest payments.
- KDOT: State Highway Fund
- Local Government
 - Property tax relief: Local Ad Valorem Tax Reduction Fund (LAVTRF); County & City Revenue Sharing Fund (CCRSF)
 - City and county roads: Special City County Highway Fund (SCCHF)

Budget Resources

- Division of the Budget: <https://budget.kansas.gov/>
 - Governor's Budget Reports
 - Comparison Reports
 - Monthly SGF receipts reports
- Kansas Legislative Research Department:
<http://www.kslegresearch.org/KLRD-web/Policy.html>
 - Appropriations reports
 - Fiscal Facts
 - Summaries of Legislation
 - Briefing Books
 - Tax Facts & monthly SGF receipts reports

Questions?

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